## WHAT IS CLAIMED IS:

- 1. A method comprising the steps of:
- (a) providing a first optical fiber having dispersion;
- (b) supplying an optical signal to said first optical fiber so that said optical signal is compressed on the time axis as propagating in said first optical fiber; and
- (c) supplying a compressed optical signal output from said first optical fiber to an optical device having a saturated gain.
- 2. A method according to claim 1, further comprising the step of supplying an optical signal output from said optical device to a second optical fiber.
- 3. A method according to claim 1, further comprising the steps of:

providing at least one optical amplifier along said first optical fiber; and

adjusting the peak power of said compressed optical signal so that the peak power becomes higher than a threshold power giving said saturated gain.

4. A method according to claim 1, wherein:
the dispersion of said first optical fiber is
normal dispersion; and

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said step (b) includes the step of performing preclairping so that said optical signal has down-chirp.

5.\ A method according to claim 1, wherein:

the dispersion of said first optical fiber is anomalous dispersion; and

said step (b) includes the step of performing prechirping so that said optical signal has up-chirp.

- 6. A method according to claim 1, wherein said step
  (b) includes the step of suitably setting the dispersion
  of said first optical fiber and the power of said optical
  signal.
- 7. A method according to claim 1, further comprising the step of providing a dispersion compensator for compensating the dispersion of said first optical fiber along said first optical fiber.
- 8. A method according to claim 2, further comprising the step of providing a dispersion compensator for compensating the dispersion of said second optical fiber along said second optical fiber.
- 9. A method according to claim 1, further comprising the step of providing an optical phase conjugator in the vicinity of a point where the dispersion of said first optical fiber is substantially equally divided.
  - 10. A method according to claim 2, further comprising

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the step of providing an optical phase conjugator in the vicinity of a point where the dispersion of said second optical fiber is substantially equally divided.

- 11. An optical device to which an optical signal compressed on the time axis as propagating in an optical fiber is supplied, comprising a semiconductor optical amplifier for applying a gain saturated in concert with an increase in input power to said optical signal.
- 12. An optical device according to claim 11, further comprising a light source for supplying assist light having a wavelength different from the wavelength of said optical signal to said semiconductor optical amplifier.
- 13. An optical device to which an optical signal compressed on the time axis as propagating in an optical fiber is supplied, comprising:
  - a distributed feedback $\setminus$ (DFB) laser; and
- a circuit for supplying a current to said DFB laser so that said DFB laser oscillates at a first wavelength;

said optical signal having a second wavelength different from said first wavelength, whereby said DFB laser applies a gain saturated in concert with an increase in input power to said optical signal.

14. An optical device according to claim 13, further comprising a light source for supplying assist light

having a third wavelength different from said first wavelength to said DFB laser.

15. A system comprising:

an optical transmitter for outputting an optical signal;

a first optical fiber provided so that said optical signal is compressed on the time axis as propagating in said first optical fiber; and

an optical device to which a compressed optical signal output from said first optical fiber is supplied, said optical device having a saturated gain.

16. A system according to claim 15, further comprising a second optical fiber to which an optical signal output from said optical device is supplied.

optical device comprises a semiconductor optical amplifier for applying a gain saturated in concert with an increase in input power to said optical signal.

- 18. A system according to claim 17, wherein said optical device further comprises a light source for supplying assist light having a wavelength different from the wavelength of said optical signal to said semiconductor optical amplifier.
  - 19. A system according to claim 15, wherein:



said optical device comprises a distributed feedback (DFB) laser and a circuit for supplying a current to said DFB laser so that said DFB laser oscillates at a first wavelength;

said optical signal having a second wavelength different from said first wavelength, whereby said DFB laser applies a gain saturated in concert with an increase in input power to said optical signal.

20. A system according to claim 19, wherein said optical device further comprises a light source for supplying assist light having a third wavelength different from said first wavelength to said DFB laser.

21. A system according to claim 15, further comprising at least one optical amplifier provided along said first optical fiber;

the peak power of said compressed optical signal being set so as to become higher than a threshold power giving said saturated gain.

- 22. A system according to claim 15, wherein:
  said first optical fiber has normal dispersion; and
  said optical transmitter includes means for
  performing prechirping so that said optical signal has
  down-chirp.
  - 23. A system according to claim 15, wherein:

said first optical fiber has anomalous dispersion;

said optical transmitter includes means for performing prechirping so that said optical signal has up-chirp.

- 24. A system according to claim 15, further comprising a dispersion compensator provided along said first optical fiber for compensating the dispersion of said first optical fiber.
- 25. A system according to claim 16, further comprising a dispersion compensator provided along said second optical fiber for compensating the dispersion of said second optical fiber.
- 26. A system according to claim 15, further comprising an optical phase conjugator provided in the vicinity of a point where the dispersion of said first optical fiber is substantially equally divided.
- 27. A system according to claim 16, further comprising an optical phase conjugator provided in the vicinity of a point where the dispersion of said second optical fiber is substantially equally divided.